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RUEHBUL/AMEMBASSY KABUL IMMEDIATE 0526  
RUEHUL/AMEMBASSY SEOUL IMMEDIATE 5755  
RUEHFK/AMCONSUL FUKUOKA IMMEDIATE 3945  
RUEHNH/AMCONSUL NAHA IMMEDIATE 6355  
RUEHOK/AMCONSUL OSAKA KOBE IMMEDIATE 7610  
RUEHKSO/AMCONSUL SAPPORO IMMEDIATE 4642  
RHEFDIA/DIA WASHINGTON DC IMMEDIATE  
RUEAIIA/CIA WASHDC IMMEDIATE  
RUENAAA/SECNAV WASHINGTON DC IMMEDIATE  
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C O N F I D E N T I A L SECTION 01 OF 03 TOKYO 004966

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E.O. 12958: DECL: 10/23/2017

TAGS: [PGOV](#) [PREL](#) [MOPS](#) [JA](#)

SUBJECT: OUTLOOK GRIM FOR OEF BILL, AS MOD SCANDALS PUT  
BRAKES ON DELIBERATIONS

REF: A. TOKYO 4903

[1](#)B. TOKYO 4905

Classified By: Ambassador J. Thomas Schieffer, reasons  
1.4(b),(d).

[1](#)1. (C) Summary. Revelations of two Ministry of Defense-related scandals, emerging just as the Diet was scheduled to finally take up deliberations on new legislation to reauthorize Japanese refueling efforts in the Indian Ocean, are threatening to derail the ruling coalition's efforts to extend Japan's OEF contribution. In particular, the opposition is demanding that the government and ruling coalition fully resolve enquiries into the dual MOD scandals before returning to discussions of Japan's support for OEF. Diet and press contacts are pessimistic about the chances of OEF extension because of the feeling that extending the Diet session to force passage of the OEF bill will interfere with the important task of budget compilation (usually done in December), and that continued debate and opposition attacks could poison the electorate against the ruling parties in the next general election. End summary.

New Scandals Hijack Deliberations  
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[1](#)2. (C) Prospects for speedy passage of new legislation (Ref A) to authorize Maritime Self-Defense Forces (MSDF) refueling efforts in the Indian Ocean have grown increasingly dim in recent days, as the focus has shifted from the merits of Japan's support for Operation Enduring Freedom (OEF) to two Ministry of Defense (MOD) related scandals. Initial deliberations on the bill at a Lower House plenary session on October 23 were quickly hijacked by opposition calls for additional disclosures regarding an MSDF cover-up of refueling data from 2003 and inappropriate ties between former MOD Administrative Vice Minister Takemasa Moriya and defense contractor Yamada Corp. News headlines October 24 declared the "Government on the Defensive," and the "Diet Session in Chaos," as reports on the twin MOD scandals dominated the morning papers. A slightly more thoughtful

opinion piece by Tokyo University Professor (and frequent Embassy interlocutor) Akihiko Tanaka in the Nikkei argued strenuously that investigations into wrongdoing at the then-Japan Defense Agency have no relevance for discussions over Japan's contributions to international efforts aimed at stopping terrorism.

13. (C) Prime Minister Yasuo Fukuda struggled to draw attention to the merits of the new legislation, telling the Lower House that, "as the person responsible for protecting Japan's national interests, I don't think Japan can withdraw from the war on terrorism while other nations are shedding blood in Afghanistan." The government was able to do little more than introduce the legislation, however, before the opposition was able to divert the discussion to the two MOD scandals, and force the ruling coalition to accede to demands to summon Moriya for sworn testimony on October 29 as a condition for further deliberations.

14. (C) Furthermore, the Prime Minister was forced to acknowledge "a problem in terms of civilian control" with regard to the failure of MSDF uniformed personnel to correct or apprise civilian MOD officials of a data error dating back to refueling efforts in 2003. The incorrect data continued to be used to refute opposition claims that Japanese fuel had been diverted for use in Iraq until allegations of a cover-up were raised in the Diet on October 21. Debate on the new measure moved to the Lower House Special Committee for Anti-terror and Iraq Assistance measures on October 24, as scheduled, but little can be accomplished before the government responds to opposition questions regarding the two scandals. Junior coalition partner Komeito's Diet Affairs Chair Yoshio Urushibara assured the Embassy on October 23

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that the ruling coalition was committed to passing the measure during the current Diet session, but described prospects as "gloomy."

Pros and Cons for Seeking Passage This Term

15. (C) Given the circumstances, some ruling coalition members are growing increasingly pessimistic about the prospects for achieving passage of the new legislation during the current extraordinary Diet session, regardless of whether the session is extended beyond its scheduled November 10 end date. Some Embassy contacts note the benefits of quickly forcing the measure through the Lower House, which is controlled by the ruling coalition, before letting the Diet session end on schedule. Passage in the Lower House, according to this argument, would shift responsibility to the main opposition Democratic Party of Japan (DPJ), which needs to demonstrate that it can play the role of a responsible governing party. It would also give Prime Minister Fukuda some measure of bragging rights before his summit with President Bush in mid-November.

16. (C) Others question the utility of putting the matter to a vote at all, even in the Lower House, where the ruling coalition holds a greater than two-thirds majority. Continued debate over the issue in the Diet and in the national press, they say, only serves to fuel opposition attacks. The ruling parties can scarcely afford to take an overly tough stance, this argument goes, when the opposition is in control of the Upper House and the government is on its heels due to the Moriya scandal and the refueling data cover-up. The timing issues also mean that the new legislation may not see the light of day again any time soon, given budget deliberations for first two to three months of the new session, which begins in January, and the increasing likelihood that this will be the best time for elections, before the first round of G8 ministerials opens in Japan in May.

Public Opinion the Key

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17. (C) This shift from earlier, more optimistic scenarios represents an acknowledgment that both the ruling coalition and the MSDF mission lack the overwhelming public support necessary to win this fight in the Diet. In the latest Mainichi poll, conducted October 20 to 21 and published on October 22, the support rate for the Fukuda Cabinet fell 11 points, to a still respectable 46 percent, while non-support rose five points to 30 percent. The "stability" represented by the Fukuda administration accounted for 58 percent of the positive responses. Support for the ruling Liberal Democratic Party (LDP) fell five points, leaving them dead even with the DPJ at 27 percent. Opinion on MSDF refueling operations was also close, with 48 percent in favor and 43 percent opposed. Of the positive responses, 65 percent cited the need for Japan to make a contribution internationally. Of those opposed, 48 percent thought Japan could contribute to international efforts in a different way. Only 32 percent of respondents thought MSDF refueling efforts were helpful against terrorism. Komeito's Urushibara confirmed that public opinion is the key in trying to get the DPJ to change its position, and said the government would seek to emphasize the role MSDF operations have played in fighting terrorism.

Lower House Elections: The 800 Pound Gorilla  
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18. (C) Ruling party leaders must also be concerned about the effects of continued debate over OEF on their chances for success in the next general election. The prevailing opinion among Embassy contacts right now is that the Lower House will almost certainly be dissolved in the spring, most likely

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after the budget is passed in March. Fukuda is keeping a low-profile to avoid opposition arrows, and adopting a public stance aimed at cooperation and accommodation, despite the opposition's repeated rejection of his offers. Opinion polls have consistently shown that the public wants greater cooperation and less enmity in the Diet. Fukuda's style is not without its critics, however, as a number of media commentators have noted the shift away from the top-down management styles of former Prime Ministers Koizumi and Abe toward greater reliance on traditional LDP party politics. Cooperation without tangible results is also unlikely to excite voters who are above all interested in pensions and health care. Continuing to force the OEF issue, not to mention extending the Diet session into the season traditionally allotted to budget compilation, could make the ruling parties more vulnerable to accusations that they are ignoring important pocketbook issues.

19. (C) This is not to say that the DPJ is on solid ground either. In the latest Mainichi poll, 62 percent of respondents opposed DPJ leader Ozawa's proposal that Japan participate in the International Security Assistance Force (ISAF) in Afghanistan (Ref B), and Ozawa continues to draw criticism in the press for failing to come up with a viable counterproposal. An October 24 editorial in the Yomiuri labeled the DPJ "irresponsible" for stating that they will wait to see if the Diet session is extended before even deciding whether to draft their own bill.  
SCHIEFFER